

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 18205
[REDACTED],	)	
	)	DECISION
Petitioners.	)	
	)	

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On June 10, 2004, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers), proposing additional individual income tax, penalty, and interest in the amount of \$411 for the tax year 2000.

The taxpayers filed a timely appeal and petition for redetermination. They did not request a conference. The Tax Commission has reviewed the file, is advised of its contents, and hereby issues its decision based thereon.

Idaho Code § 63-3002 provides:

Declaration of intent. It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; . . .

The intent of the Idaho Legislature is to follow the federal determination of income subject only to modifications contained in Idaho law. [Redacted] The Bureau issued a NODD to the taxpayers advising them of additional Idaho income tax, penalty, and interest due as a result of the increase to their taxable income.

In response to the deficiency notice, the taxpayers wrote a note on the face of the notice and sent it back to the Bureau stating: “[Redacted] Thank you.” A copy of an executed Power of Attorney form that was barely legible was included. According to the return address shown on the

envelope, an accounting firm mailed the hand written note from the taxpayers. On June 28, 2004, the Bureau received another note written at the bottom of a copy of the NODD. It said:

[Redacted] We have no record of adjustment. Per telephone conversation with your office you have no detail information on the adjust [sic] except for names off 1099?.. These 1099 were reported on there [sic] S-corporation and were correctly reported.”

The Bureau wrote to the taxpayers to acknowledge their protest and ask them to provide a [Redacted]. When the taxpayers did not respond to the request, their file was transferred to the Legal/Tax Policy Division for administrative review. A letter was sent to advise the taxpayers of their right to request a hearing or send additional information. A copy of that letter was also sent to the accounting firm shown in the Power of Attorney. Neither the taxpayers nor their accountant responded.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm’n, 110 Idaho 572 (Ct. App. 1986). Having presented no further information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson’s, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have provided no evidence that [Redacted] changed the audit results that increased the taxpayers’ taxable income. Therefore, the Tax Commission upholds the NODD for 2000.

WHEREFORE, the Notice of Deficiency Determination dated June 10, 2004, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following additional tax, penalty, and interest for 2000:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
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\$325

\$16

\$87

\$428

Interest has been computed through July 1, 2005.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayers' right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

**CERTIFICATE OF SERVICE BY MAIL**

I hereby certify that I have on this \_\_\_\_\_ day of \_\_\_\_\_, 2005, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]  
[REDACTED]  
[REDACTED]

[Redacted]

[Redacted]

\_\_\_\_\_